



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to address the real property tax exemption for for-profit group child care centers.

SECTION 2. Section 8-10.1, Revised Ordinances of Honolulu 1990 ("Claims for certain exemptions"), is amended as follows:

1. By amending subsection (a) to read as follows:

"(a) None of the exemptions from taxation granted in Sections 8-10.4, 8-10.6 through 8-10.11, 8-10.24, 8-10.27, 8-10.29, and 8-10.32~~[, and 8-10.33 shall]~~ will be allowed in any case, unless the claimant ~~[shall have]~~ has filed with the department of budget and fiscal services on or before September 30th preceding the tax year for which ~~[such]~~ the exemption is claimed, a claim for exemption in such form as shall be prescribed by the department."

2. By amending subsection (d) to read as follows:

"(d) The owner of any property ~~[which]~~ that has been allowed an exemption under Sections 8-10.4, 8-10.6 through 8-10.10, 8-10.24, 8-10.27, 8-10.29, or 8-10.32~~[, or 8-10.33]~~ has a duty to report to the assessor within 30 days after such owner or property ceases to qualify for ~~[such an]~~ the exemption for, among others, the following reasons:

- (1) The ownership of the property has changed;
- (2) A change in the facts previously reported has occurred concerning the occupation, use or renting of the premises, buildings or other improvements thereon; or
- (3) A change in status has occurred which affects the owner's exemption.

~~[Such]~~ The report shall have the effect of voiding the claim for exemption previously filed, as provided in subsection (b)(4) ~~[of this section]~~. The report ~~[shall]~~ will be sufficient if it identifies the property involved, states the change in facts or status, and requests that the claim for exemption previously filed be voided.



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In the event the property comes into the hands of a fiduciary who is answerable as provided for by this chapter, the fiduciary ~~[shall]~~ must make the report required by this subsection within 30 days after the assumption of the fiduciary's duties or within the time otherwise required, whichever is later.

A penalty ~~[shall]~~ will be imposed if the change in facts occurred in the 12 months ending September 30th preceding the tax year for which an exemption is to take effect and the report required by this subsection is not filed by the immediately following November 1st. The amount of the penalty ~~[shall]~~ will be \$300 imposed on the November 2nd preceding the tax year for which the owner or the property no longer qualifies for the exemption and on November 2nd for each year thereafter that the change in facts remains unreported. In addition to this penalty, the taxes due on the property plus any additional penalties and interest thereon shall be a paramount lien on the property as provided for by this chapter."

SECTION 3. Section 8-10.33, Revised Ordinances of Honolulu 1990, is repealed.

~~["Sec. 8-10.33 — Exemption For profit group child care centers.~~

- (a) ~~Real property, or a portion thereof, used for a for-profit group child care center shall be exempt from property taxes provided that:~~
- ~~(1) The property is actually and exclusively used for a group child care center;~~
 - ~~(2) If an exemption is claimed under this section, an exemption for the same property may not also be claimed under any other section.~~
 - ~~(3) The property is owned in fee simple, leased or rented for a period of one year or more, by the person using the property for the exempt purposes, hereinafter referred to as the person claiming the exemption.~~
 - ~~(4) If the property for which exemption is claimed is leased or rented, the lease or rental agreement shall be in force and recorded in the bureau of conveyances or filed in the office of the assistant registrar of the land court.~~
 - ~~(5) The group child care center meets the child care facilities requirements of HRS Chapter 346, Part VIII; and~~



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- (6) ~~Any claim for exemption based on the foregoing use shall be accompanied by a certificate issued by or under the authority of the department of human services stating that the foregoing requirements are met.~~
- (b) ~~For purposes of this section, the term "group child care center" means a facility other than a residence, maintained by an individual, organization, or agency for the purpose of providing child care for preschool age children ages two years to six years and infants and toddlers ages six weeks to 36 months."~~

SECTION 4. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



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SECTION 5. This ordinance takes effect upon its approval; provided that all exemptions granted pursuant to Section 8-10.33, Revised Ordinances of Honolulu 1990, and in effect on the day immediately preceding the day this ordinance takes effect shall continue through the tax years beginning July 1, 2020 and shall expire on June 30, 2021.

INTRODUCED BY:

[Signature]

DATE OF INTRODUCTION:

MAR 4 2020

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu